

AMENDED IN SENATE MAY 11, 2011  
AMENDED IN SENATE APRIL 25, 2011  
AMENDED IN SENATE MARCH 31, 2011

**SENATE BILL**

**No. 383**

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**Introduced by Senator Wolk**

February 15, 2011

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~~An act to amend Section 2830 of, to amend the heading of Chapter 7.5 (commencing with Section 2830) of Part 2 of Division 1 of, and to repeal Section 2826.5 of, the Public Utilities Code, relating to energy. An act relating to energy.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 383, as amended, Wolk. ~~Renewable energy generation: private energy producers: PVUSA solar facility: energy.~~

*Existing law expresses the intent of the Legislature, in establishing the California Renewables Portfolio Standard Program, that the amount of electricity generated per year from eligible renewable energy resources be increased to an amount that equals at least 20% of the total electricity sold to retail customers in California per year by December 31, 2010.*

*This bill would express the intent of the Legislature to enact legislation to stimulate the development of eligible renewable energy resources, as defined for purposes of the program, by allowing local governments, businesses, residents, and schools to invest in cost-effective, clean, and renewable energy and to create local jobs.*

~~(1) Under existing law, the Public Utilities Commission has regulatory jurisdiction over public utilities, including electrical corporations, as defined. Existing law authorizes the commission to fix~~

~~the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Under existing law, the governing board of a local publicly owned electric utility, as defined, generally has authority over the activities of a local publicly owned electric utility.~~

~~Under existing law, the local government renewable energy self-generation program authorizes a local government, as defined, to receive a bill credit, as defined, to be applied to a designated benefiting account for electricity exported to the electrical grid by an eligible renewable generating facility, as defined, and requires the commission to adopt a rate tariff for the benefiting account. The program requires the local government or campus and the electrical corporation to mutually agree upon a benefiting account.~~

~~The existing program requires that the benefiting account receives service under a time-of-use rate schedule and requires that a bill credit is to be calculated based upon the time-of-use electricity generation component of the electricity usage charge of the generating account, multiplied by the quantities of electricity generated by an eligible renewable generating facility that are exported to the grid during the corresponding time period.~~

~~This bill would recast the existing program as the off-site renewable energy self-generation program and would apply the program to both electrical corporations and local publicly owned electric utilities. The bill would authorize the owner or operator of an eligible renewable generating facility, as defined, to designate a benefiting account within the service territory of either an electrical corporation or a local publicly owned electric utility to receive a bill credit based upon the quantity of electricity generated by the eligible renewable generating facility, as specified. The bill would require the owner or operator of the eligible renewable generating facility to determine the percentage of electricity generated by the renewable energy generating facility to be assigned to the benefiting account.~~

~~(2) The existing program limits the generating capacity of an eligible renewable generating facility to no more than one megawatt and requires that the facility be owned by, operated by, or be located on property under the control of the local government or campus.~~

~~This bill would limit the generating capacity of an eligible renewable generating facility to no more than 20 megawatts. The bill would delete the requirement that the eligible renewable generating facility be owned by, operated by, or be located on, property under the control of the local~~

~~government or campus, and would instead require the facility to be located within the state. The bill would add a requirement that the eligible renewable generating facility be metered to allow calculation of the bill credit based upon the time period during which the electricity is exported to the grid, as defined.~~

~~The existing program provides that an electrical corporation is not obligated to provide a bill credit to a benefiting account that is not designated prior to the point in time that the combined statewide cumulative rated generating capacity of all eligible renewable generating facilities within the service territories of the state's 3 largest electrical corporations reaches 250 megawatts.~~

~~This bill would delete this 250 megawatts limitation upon the obligation of an electrical corporation to provide a bill credit.~~

~~By imposing new requirements on local publicly owned electric utilities, which are entities of local government, in connection with billing benefiting accounts under the off-site renewable energy self-generation program, this bill would impose a state-mandated local program.~~

~~(3) Existing law authorizes the City of Davis to receive a bill credit, as defined, to a benefiting account, as defined, for electricity supplied to the electrical grid by a photovoltaic facility located within and partially owned by the city (PVUSA solar facility) and requires the commission adopt a rate tariff for the benefiting account. Existing law authorizes the peak electricity generating capacity for the facility to be expanded, not to exceed one megawatt.~~

~~This bill would repeal these provisions relating to the City of Davis.~~

~~(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes-no. State-mandated local program: yes-no.~~

*The people of the State of California do enact as follows:*

- 1 *SECTION 1. It is the intent of the Legislature to enact*
- 2 *legislation to stimulate the development of eligible renewable*
- 3 *energy resources, as defined in Article 16 (commencing with*
- 4 *Section 399.11) of Chapter 2.3 of Part 1 of Division 1 of the Public*

1 *Utilities Code, by allowing local governments, businesses,*  
2 *residents, and schools to invest in cost-effective, clean, and*  
3 *renewable energy and to create local jobs.*

4 ~~SECTION 1. Section 2826.5 of the Public Utilities Code is~~  
5 ~~repealed.~~

6 ~~SEC. 2. The heading of Chapter 7.5 (commencing with Section~~  
7 ~~2830) of Part 2 of Division 1 of the Public Utilities Code is~~  
8 ~~amended to read:~~

9  
10 ~~CHAPTER 7.5. OFF-SITE RENEWABLE ENERGY SELF-GENERATION~~  
11 ~~PROGRAM~~  
12

13 ~~SEC. 3. Section 2830 of the Public Utilities Code is amended~~  
14 ~~to read:~~

15 ~~2830. (a) As used in this section, the following terms have the~~  
16 ~~following meanings:~~

17 ~~(1) “Benefiting account” means an electricity account, or more~~  
18 ~~than one account, designated by the owner or operator of an eligible~~  
19 ~~renewable generating facility to receive a bill credit pursuant to~~  
20 ~~this section. To be eligible to be designated as a “benefiting~~  
21 ~~account,” the account shall be for service to premises located within~~  
22 ~~the geographical boundaries of the service territory of the electric~~  
23 ~~distribution utility containing the eligible renewable generating~~  
24 ~~facility, or within the geographical boundaries of a contiguous~~  
25 ~~service territory of an electric distribution utility if both of the~~  
26 ~~electric distribution utilities have an agreement enabling the~~  
27 ~~connection of the benefiting account to the eligible renewable~~  
28 ~~generating facility.~~

29 ~~(2) “Bill credit” means an amount of money credited to a~~  
30 ~~benefiting account that is calculated based upon the time-of-use~~  
31 ~~electricity generation component of the electricity usage charge~~  
32 ~~of the benefiting account multiplied by the quantity of electricity~~  
33 ~~generated by an eligible renewable generating facility that is~~  
34 ~~assigned to the benefiting account pursuant to paragraph (1) of~~  
35 ~~subdivision (b).~~

36 ~~(3) “Electric distribution utility” means an electrical corporation,~~  
37 ~~as defined in Section 218, or a local publicly owned electric utility,~~  
38 ~~as defined in Section 224.3.~~

39 ~~(4) “Eligible renewable generating facility” means a generation~~  
40 ~~facility that meets all of the following requirements:~~

1 ~~(A) Has a generating capacity of no more than 20 megawatts.~~

2 ~~(B) Is an eligible renewable energy resource, as defined in~~  
3 ~~Article 16 (commencing with Section 399.11) of Part 1.~~

4 ~~(C) Is located within the State of California.~~

5 ~~(D) Is sized to offset all or part of the electrical load of the~~  
6 ~~benefiting account, or more than one account.~~

7 ~~(E) The electrical output of the facility is metered for time of~~  
8 ~~use to allow calculation of the bill credit based upon when the~~  
9 ~~electricity is exported to the grid.~~

10 ~~(5) “Exported to the grid” means electricity is generated by an~~  
11 ~~eligible renewable generating facility, is not utilized onsite by the~~  
12 ~~owner or operator of the eligible renewable generating facility,~~  
13 ~~and flows through the meter site and on to the electric distribution~~  
14 ~~utility’s distribution or transmission infrastructure.~~

15 ~~(6) “Ratemaking authority” means, for an electrical corporation,~~  
16 ~~the commission, and for a local publicly owned electric utility, the~~  
17 ~~local elected body responsible for setting the rates of the local~~  
18 ~~publicly owned electric utility.~~

19 ~~(b) An owner or operator of an eligible renewable generating~~  
20 ~~facility may designate a benefiting account to receive a bill credit~~  
21 ~~pursuant to this section, if all of the following conditions are met:~~

22 ~~(1) The owner or operator of the eligible renewable generating~~  
23 ~~facility determines the percentage of electricity generated by the~~  
24 ~~eligible renewable generating facility that is assigned to the~~  
25 ~~benefiting account and transmits that information to the electric~~  
26 ~~distribution utility.~~

27 ~~(2) The electrical output of the eligible renewable generating~~  
28 ~~facility is metered for time of use to allow calculation of the bill~~  
29 ~~credit based upon when the electricity is exported to the grid.~~

30 ~~(3) All costs associated with interconnection are the~~  
31 ~~responsibility of the owner or operator of the eligible renewable~~  
32 ~~generating facility. For purposes of this paragraph,~~  
33 ~~“interconnection” has the same meaning as defined in Section~~  
34 ~~2803, except that it applies to the interconnection of an eligible~~  
35 ~~renewable generating facility rather than the energy source of a~~  
36 ~~private energy producer.~~

37 ~~(4) All electricity exported to the grid by the eligible renewable~~  
38 ~~generating facility becomes the property of the electric distribution~~  
39 ~~utility to which the facility is interconnected, but shall not be~~  
40 ~~counted toward the electric distribution utility’s total retail sales~~

1 for purposes of Section 387 or Article 16 (commencing with  
2 Section 399.11) of Chapter 2.3 of Part 1. Ownership of the  
3 renewable energy credits, as defined in Section 399.12, shall be  
4 the same as the ownership of the eligible renewable generation  
5 facility.

6 (e) (1) Not more frequently than once per month, and upon  
7 providing the electric distribution utility with notice pursuant to  
8 paragraph (2) with a minimum of 30 days' notice, the owner or  
9 operator of the eligible renewable generating facility may elect to  
10 change, add, or remove a benefiting account. If the owner of a  
11 benefiting account transfers service to a new benefiting account,  
12 the electric distribution utility shall transfer any credit remaining  
13 from the previous account to the new account.

14 (2) Upon a change, addition, or removal of a designated  
15 benefiting account, the owner or operator of the eligible renewable  
16 generating facility shall determine the percentage of the electricity  
17 generated by the eligible renewable generating facility and  
18 delivered to the grid that shall be credited to each benefiting  
19 account and provide notice to the electric distribution utility of the  
20 percentage that is to be credited to each benefiting account.

21 (d) (1) An electric distribution utility shall bill a benefiting  
22 account for all electricity usage, and for each bill component, at  
23 the rate schedule applicable to the benefiting account, including  
24 any cost-responsibility surcharge or other cost recovery mechanism,  
25 as determined by the commission, to reimburse the Department  
26 of Water Resources for purchases of electricity, pursuant to  
27 Division 27 (commencing with Section 80000) of the Water Code.

28 (2) The bill shall then subtract the bill credit applicable to the  
29 benefiting account. The generation component credited to the  
30 benefiting account may not include the cost-responsibility  
31 surcharge or other cost recovery mechanism, as determined by the  
32 commission, to reimburse the Department of Water Resources for  
33 purchases of electricity, pursuant to Division 27 (commencing  
34 with Section 80000) of the Water Code. The electric distribution  
35 utility shall ensure that the owner or operator receives the full bill  
36 credit.

37 (3) If, during the billing cycle, the electricity usage charge  
38 exceeds the bill credit, the benefiting account shall be billed for  
39 the difference.

1     ~~(4) If, during the billing cycle, the bill credit applied pursuant~~  
2 ~~to paragraph (2) exceeds the electricity usage charges, the~~  
3 ~~difference shall be carried forward as a financial credit to the next~~  
4 ~~billing cycle.~~

5     ~~(5) After the electricity usage charge pursuant to paragraph (1)~~  
6 ~~and the credit pursuant to paragraph (2) are determined for the last~~  
7 ~~billing cycle of a 12-month period, any remaining bill credit~~  
8 ~~resulting from the application of this section shall be reset to zero.~~

9     ~~(e) The ratemaking authority shall ensure that the transfer of a~~  
10 ~~bill credit to a benefiting account does not result in a shifting of~~  
11 ~~costs to bundled service subscribers. The costs associated with the~~  
12 ~~transfer of a bill credit shall include all billing-related expenses.~~

13     ~~(f) The owner or operator of an eligible renewable generating~~  
14 ~~facility shall provide the electric distribution utility to which the~~  
15 ~~eligible renewable generating facility will be interconnected with~~  
16 ~~not less than 60 days' notice prior to the eligible renewable~~  
17 ~~generating facility becoming operational.~~

18     ~~(g) If the holder of the benefiting account sells or cancels its~~  
19 ~~interest in or contract with the owner or operator of the eligible~~  
20 ~~renewable generating facility, or sells the electricity generated by~~  
21 ~~the eligible renewable generating facility in a manner that is not~~  
22 ~~allowed by this section, upon the date of that event, no further bill~~  
23 ~~credit may be earned pursuant to subdivision (d), and only credit~~  
24 ~~earned prior to that date shall be made to the benefiting account.~~

25     ~~(h) An electric distribution utility may have ownership of the~~  
26 ~~eligible renewable generating facilities within its service territory,~~  
27 ~~in an amount that is not greater than the sum of 50 percent plus 10~~  
28 ~~megawatts of the aggregate electrical capacity of all eligible~~  
29 ~~renewable generating facilities operating within the service~~  
30 ~~territory.~~

31     ~~(i) This section applies to electrical corporations, as defined in~~  
32 ~~Section 218, and local publicly owned electric utilities, as defined~~  
33 ~~in Section 224.3.~~

34     ~~SEC. 4. No reimbursement is required by this act pursuant to~~  
35 ~~Section 6 of Article XIII B of the California Constitution because~~  
36 ~~a local agency or school district has the authority to levy service~~  
37 ~~charges, fees, or assessments sufficient to pay for the program or~~

- 1 level of service mandated by this act, within the meaning of Section
- 2 17556 of the Government Code.

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